

# Debate Grows Over Adoption Of National Industrial Policy

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The ills of the American economy are obvious — high interest rates, high unemployment, low productivity, uncompetitive plants.

The cures are not so evident. In recent decades, Americans have successively taken, and then discarded, a variety of economic medicines, from Keynesianism to monetarism to supply-side economics.

Now, a new prescription — industrial policy — is sweeping intellectual and political circles. It is an idea that has been spurred by the success of the Japanese economy, and by the crucial role played by Japanese industrial policy and its centerpiece, the Ministry of International Trade and Industry.

## A Burst of Interest

The issue is prompting much debate. To supporters, a national industrial policy, aimed at helping particular industries, holds the key to reshaping America's economy and setting the course for future growth. To others, it is simply the latest brand of snake oil or voodoo economics.

The issue is attracting high-powered attention. In the past year, the Council on Foreign Relations, the Aspen Institute, Harvard University, Columbia Law School and the Federal Reserve Bank of Kansas have all scheduled symposiums on the topic, with participants from politics and the academic world, unions and business.

In addition, industrial policy is expected to be an important issue in the 1984 Presidential race, provided the economy continues to have visible problems as the recovery progresses. Several Democrats have endorsed the concept, and industrial policy bills are beginning to appear in Congress.

The Republicans, on the other hand, are hoping that recovery will make the discussion moot, that the worst of the economy's troubles will disappear with the recession.

Industrial policy remains an elusive concept. It encompasses ideas, some of them contradictory, ranging from the establishment of an industrial development bank to support winning industries, to an industrial conversion agency to rehabilitate losing industries and their workers. Many proposals prescribe some type of three-way bargain.

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